

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name BRIDGEWATER	County WASHTENAW
Audit Date MARCH 31, 2004	Opinion Date JUNE 23, 2004	Date Accountant Report Submitted to State: JUNE 30, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

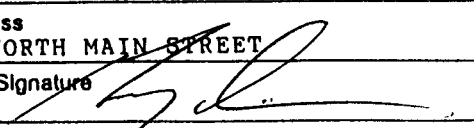
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) ROBERTSON, EATON & OWEN, P.C.			
Street Address 121 NORTH MAIN STREET	City ADRIAN	State MI	ZIP 49221
Accountant Signature 			

June 23, 2004

Township Board
Bridgewater Township
Washtenaw County, Michigan

This letter discusses the upcoming conversion of the Township's financial statements to meet the reporting requirements under Governmental Accounting Standards Board (GASB) Pronouncement 34.

For the year ending March 31, 2005, Bridgewater Township will need to meet the following requirements:

1. On a full accrual financial statement, the Township will report all fixed assets owned by the Township. This would include all land, buildings, equipment, sewer system, and any other possible assets owned by the Township.

Related depreciation expense will also have to be determined.

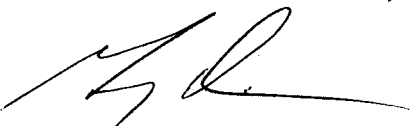
2. Any long-term general obligation or sewer debt or long-term liabilities would be reported on the full accrual financial statement.
3. The Township will be providing a Management's Discussion and Analysis (MD&A) letter. This letter will discuss the financial figures in the audit report and provide information on future financial activity.

We will work with the Township on the above requirements. The general fixed assets, for the most part, can be obtained from general fixed asset records or insurance evaluations. And, we will assist with the preparation of the MD&A letter.

If you have any questions on GASB Statement No. 34 and the financial reporting by the Township on next year's audit report, give me a call.

Sincerely,

ROBERTSON, EATON & OWEN, P.C.



Gary Owen

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

**WITH
INDEPENDENT AUDITORS' REPORT**

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

INDEPENDENT AUDITORS' REPORT

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June 23, 2004

UNQUALIFIED OPINION ON GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

Bridgewater Township
Washtenaw County, Michigan

We have audited the accompanying general purpose financial statements of Bridgewater Township, Washtenaw County, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of Bridgewater Township, Washtenaw County, Michigan's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of Bridgewater Township, Washtenaw County, Michigan as of March 31, 2004, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Bridgewater Township, Washtenaw County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Robertson, Eaton & Owen, P.C.

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

March 31, 2004

With Comparative Totals for March 31, 2003

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPE</u>	<u>PROPRIETARY FUND TYPE</u>
	<u>General Fund</u>	<u>Sewer Fund</u>
Cash and investment	\$ 247,484	\$ 124,002
Receivables:		
Delinquent taxes	13,771	
Special assessments		891,297
Grant		3,930
Other	229	
Due from other funds	2,627	
Fixed assets		
Land		161,464
Due from other governments		110,710
 Total assets	 <u>\$ 264,111</u>	 <u>\$ 1,291,403</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 6,120	\$
Due to other funds		
Escrow deposits payable	11,707	
Due to other governments		
Special assessments deferred revenue		891,297
Deferred revenue	31,445	
 Total liabilities	 <u>49,272</u>	 <u>891,297</u>
Investment - General Fixed Assets		
Fund balances:		
Reserved for police services		
Reserved for road improvements	60,296	
Unreserved	154,543	
Contributed capital		400,106
 Total fund equity	 <u>214,839</u>	 <u>400,106</u>
 Total liabilities and fund equity	 <u>\$ 264,111</u>	 <u>\$ 1,291,403</u>

**FIDUCIARY
FUND TYPE**

Tax Collection

\$ 7,375

\$ 7,375

\$ 2,627

4,748

7,375

\$ 7,375

ACCOUNT GROUP

General Fixed Assets

\$

109,002

\$ 109,002

\$

109,002

109,002

\$ 109,002

TOTALS

Memorandum Only

2004

2003

\$ 378,861

13,771

891,297

3,930

229

2,627

270,466

110,710

\$ 1,671,891

\$ 6,120

2,627

11,707

4,748

891,297

31,445

947,944

109,002

60,296

154,543

400,106

723,947

\$ 1,671,891

\$ 409,722

13,710

955,550

3,113

213,261

186,758

5,000

47,778

\$ 1,834,892

\$ 12,798

213,261

12,903

955,550

1,194,512

104,708

70,109

179,299

286,264

640,380

\$ 1,834,892

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND**

For the Years Ended March 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Revenues:		
Property taxes - General	\$ 57,612	\$ 55,355
Property taxes - Roads	65,957	63,342
Property taxes - Police	32,972	31,633
Fees and permits	13,994	18,372
Charges for services (fire)	11,294	7,127
State shared revenue	112,897	122,259
Administrative and collection fees - taxes	26,343	20,639
Interest	4,897	7,394
Miscellaneous revenues	16,168	5,163
Recycling revenue	<u>5,062</u>	<u>5,062</u>
Total revenues	<u>347,196</u>	<u>336,346</u>
Expenditures:		
General government	148,805	165,316
Public safety	118,396	115,585
Highways, streets, and bridges	79,120	57,043
Sanitation	<u>35,444</u>	<u>9,951</u>
Total expenditures	<u>381,765</u>	<u>347,895</u>
Deficiency of revenues under expenditures	(34,569)	(11,549)
Fund balance - beginning of year	<u>249,408</u>	<u>260,957</u>
Fund balance - end of year	<u>\$ 214,839</u>	<u>\$ 249,408</u>

The notes to the financial statements are an integral part of this statement.

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

**For the Year Ended March 31, 2004
With Comparative Totals for the Year Ended March 31, 2003**

	<u>Budget</u>	<u>2004 Actual</u>	<u>Variance Over (Under)</u>	<u>2003 Actual</u>
Revenues:				
Property taxes - General	\$ 57,000	\$ 57,612	\$ 612	\$ 55,355
Property taxes - Roads	65,500	65,957	457	63,342
Property taxes - Police	32,500	32,972	472	31,633
Fees and permits	15,200	13,994	(1,206)	18,372
Charges for services (fire)	9,000	11,294	2,294	7,127
State shared revenue	115,000	112,897	(2,103)	122,259
Administrative and collection fees - taxes	25,275	26,343	1,068	20,639
Miscellaneous income and interest	21,287	21,065	(222)	12,557
Recycling revenue	<u>5,060</u>	<u>5,062</u>	<u>2</u>	<u>5,062</u>
Total Revenues	<u>345,822</u>	<u>347,196</u>	<u>1,374</u>	<u>336,346</u>
Expenditures:				
General Government				
Township Board	3,942	3,974	32	4,940
Supervisor	15,795	15,775	(20)	14,459
Assessor	18,694	17,350	(1,344)	18,986
Clerk	15,027	15,268	241	17,498
Treasurer	19,575	19,784	209	17,465
Legal and audit fees	6,135	6,134	(1)	8,122
Boards of Review and Appeal	1,455	1,632	177	1,428
Building and grounds	7,663	6,695	(968)	7,603
Cemetery	1,109	1,109		1,199
Insurance	5,100	4,889	(211)	4,606
Planning Commission	30,268	27,935	(2,333)	38,576
Zoning	16,386	16,273	(113)	14,964
Ordinance enforcement	641	641		3,137
Printing and publishing	2,000	2,055	55	1,680
Membership dues	1,699	1,699		1,684
Payroll taxes	5,300	5,180	(120)	5,310
Miscellaneous	2,022	2,412	390	345
Election				<u>3,314</u>
Total General Government	<u>152,811</u>	<u>148,805</u>	<u>(4,006)</u>	<u>165,316</u>
Public Safety:				
Fire Department	35,183	35,285	102	34,571
Police services - County	80,911	80,911		78,814
Police Substation	<u>2,200</u>	<u>2,200</u>		<u>2,200</u>
Total Public Safety	<u>118,294</u>	<u>118,396</u>	<u>102</u>	<u>115,585</u>

The notes to the financial statements are an integral part of this statement.

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

**For the Year Ended March 31, 2004
With Comparative Totals for the Year Ended March 31, 2003**

	<u>Budget</u>	<u>2004 Actual</u>	<u>Variance Over (Under)</u>	<u>2003 Actual</u>
Highways, Streets, and Bridges:				
Highways, streets, and bridges	\$ 75,820	\$ 75,770	\$ (50)	\$ 54,099
Street lighting	<u>2,837</u>	<u>3,350</u>	<u>513</u>	<u>2,944</u>
Total Highways, Streets, and Bridges	<u>78,657</u>	<u>79,120</u>	<u>463</u>	<u>57,043</u>
Sanitation:				
Clean-up day	5,704	5,704		6,403
Recycling	925	1,205	280	517
Drain at large	16,500	16,175	(325)	3,031
Sewer study	<u>12,360</u>	<u>12,360</u>		
Total Sanitation	<u>35,489</u>	<u>35,444</u>	<u>(45)</u>	<u>9,951</u>
Culture and Recreation:				
Library	<u>34</u>	<u>-</u>	<u>(34)</u>	<u>-</u>
Total expenditures	<u>385,285</u>	<u>381,765</u>	<u>(3,520)</u>	<u>347,895</u>
Deficiency of revenues under expenditures		(34,569)		(11,549)
Fund balance - beginning of year		<u>249,408</u>		<u>260,957</u>
Fund balance - end of year		<u>\$ 214,839</u>		<u>\$ 249,408</u>

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
CONTRIBUTED CAPITAL – SEWER FUND**

For the Years Ended March 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Nonoperating revenues:		
Special assessments	\$ 64,253	\$ 115,325
Interest income	1,516	2,973
Grant	<u>52,684</u>	<u>25,178</u>
Total nonoperating revenues	<u>118,453</u>	<u>143,476</u>
Nonoperating expenses:		
Legal and professional fees	4,600	2,832
Administrative expenses	11	90
Other	<u> </u>	<u>16,969</u>
Total nonoperating expenses	<u>4,611</u>	<u>19,891</u>
Net income	113,842	123,585
Contributed capital – beginning of year	<u>286,264</u>	<u>162,679</u>
Contributed capital – end of year	<u>\$ 400,106</u>	<u>\$ 286,264</u>

The notes to the financial statements are an integral part of this statement.

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

STATEMENTS OF CASH FLOWS – SEWER FUND

For the Years Ended March 31, 2004 and 2003

INCREASE IN CASH AND CASH EQUIVALENTS

	<u>2004</u>	<u>2003</u>
Nonoperating revenues (expenditures):		
Cash flows from investing activities		
Special assessments	\$ 112,031	\$ 118,298
Capital expenditures	(185,124)	(49,270)
Other nonoperating expenditures	(16,362)	
Interest income	1,516	2,973
Grant received	<u>51,867</u>	<u>22,064</u>
Net cash provided by (used in) investing activities	(36,072)	94,065
Cash and cash equivalents – beginning of year	<u>160,074</u>	<u>66,009</u>
Cash and cash equivalents – end of year	<u>\$ 124,002</u>	<u>\$ 160,074</u>

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Bridgewater Township, Washtenaw County, Michigan conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

A. FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account group. Each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUND

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

PROPRIETARY FUND

Enterprise Fund – The Enterprise Fund (Sewer Fund) is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUND

The Fiduciary Fund (Tax Collection Fund) is an agency fund used to account for assets that the government holds on behalf of others (including other funds of the Township) as their agent.

B. FIXED ASSETS AND LIABILITIES

The accounting and reporting treatment applied to the fixed assets and liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters; streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Proprietary Fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and expenses recognized when they are incurred.

The Tax Collection Fund is accounted for on the modified accrual basis.

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents defined for the Statement of Cash Flows are demand deposits and short term investments with maturities of less than three months.

E. INVESTMENTS

All deposits and investments of the Township are carried on the books at cost.

F. PROPERTY TAXES

The Township property tax is levied on each December 1 on the taxable value of property located in the Township as of the preceding December 31.

The Township's 2003 ad valorem tax was levied and collectible on December 1, 2003. It is the Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are made available for the financing of Township operations. Payment from the County Delinquent Tax Fund, which purchases the 2003 delinquent real property taxes, is recorded as a receivable and recognized as revenue in the current fiscal year.

The 2003 taxable value of Bridgewater Township totaled \$67,734,300, on which ad valorem taxes levied for all Township purposes are \$156,541. Millage rate is 2.3112.

G. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

2. BRIDGEWATER TOWNSHIP - REPORTING ENTITY

The Township of Bridgewater is a noncharter township, governed by a Board of Trustees. As required by generally accepted accounting principles, these financial statements present Bridgewater Township as a primary government. There are no component units to the Township.

3. GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>April 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>March 31, 2004</u>
Building	\$ 7,343	\$ 2,552	\$	\$ 9,895
Equipment	26,502	1,742		28,244
Land	<u>70,863</u>	<u> </u>	<u> </u>	<u>70,863</u>
	<u>\$ 104,708</u>	<u>\$ 4,294</u>	<u>\$ -</u>	<u>\$ 109,002</u>

4. BUDGETS AND BUDGETARY ACCOUNTING

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit of government shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a function/activity basis. The approved budgets of the Township for these budgetary funds were adopted at the function/activity level and adopted on a basis consistent with generally accepted accounting principles (GAAP).

During the year, the budget was amended by the Board.

The General Fund incurred expenditures in excess of budget. Nine activities within the General Fund have expenditures that exceeded budget.

5. INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	<u>\$ 2,627</u>	Tax Collection	<u>\$ 2,627</u>

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

6. CASH AND INVESTMENTS

Deposits

At year end, the carrying value of the Township's deposits was \$11,729 and bank balance was \$17,936. All bank balances are insured by federal depository insurance up to \$100,000, the excess is uninsured. At certain times of the year, when property taxes are being collected, the Township has uninsured and uncollateralized deposits; as a result, the amounts of uncollateralized deposits at those times can be substantially higher. All deposits are with a bank located in Michigan.

Investments

The Township has three Fund-J Investments with one bank located in Michigan. The total amount in the investments at March 31, 2004 was \$367,132 which is held by the bank in a trustee capacity and secured by the underlying investments.

7. RESERVED FUND BALANCE - ROADS

In November 2000, voters approved a special millage of 1.0 for the improvement and maintenance of Township roads. The unexpended portion of property taxes for roads is shown as a restricted part of fund balance.

Road activity for the year is as follows:

Reserved fund balance – roads –	
March 31, 2003	\$ 70,109
Road expenditures for fiscal year	
2003-04	(75,770)
Property taxes – roads for 2003-04	<u>65,957</u>
Reserved fund balance – roads –	
March 31, 2004	<u>\$ 60,296</u>

8. RESERVED FUND BALANCE - POLICE SERVICES

The Township has a voted millage for police services which started with December 2000 tax billing. Police services are under contract with Washtenaw County which began January 1, 2002. The unexpended portion of these taxes collected are reserved. The reserved balance at March 31, 2004 was \$-0-.

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

9. WESTERN WASHTENAW CONSTRUCTION AUTHORITY

As of January 2000, the Village of Manchester and the Townships of Manchester, Freedom, and Bridgewater have created an Authority to provide for the joint enforcement and administration of construction codes and other related municipal ordinances. The Authority has replaced the Building Departments in the participating municipalities - collecting and retaining building permits and paying all related expenses, including the fees of building inspectors. The fiscal year of the Authority is July 1 through June 30. All participating units provided start-up funds for the Authority. A condensed representation of the audited financial position of Western Washtenaw Construction Authority at June 30, 2003 follows:

GENERAL FUND:

<u>BALANCE SHEET</u>		<u>STATEMENT OF REVENUES AND EXPENDITURES</u>	
Total assets	<u>\$ 125,583</u>	Total revenues	\$ 165,488
Total liabilities	\$ 42,703	Total expenditures	<u>145,155</u>
Total fund equity	<u>82,880</u>	Excess of revenues over expenditures	<u>\$ 20,333</u>
Total liabilities and fund equity	<u>\$ 125,583</u>		

10. SEWER FUND

Bridgewater Township is currently in the process of constructing a sewer system. A special assessment district has been established to provide partial funding. The special assessment roll was approved October 23, 2001. Additional funding will be provided by a State grant and a bond issue through the County.

A grant from the State became effective for expenses and work done beginning April 1, 2002. This will reimburse the Township for 34% of project costs except land acquisition. As of March 31, 2004, \$77,862 of State grant funds have been received.

On April 16, 2003, the Bridgewater Township Board of Trustees approved a contract between the County of Washtenaw and Bridgewater Township for the Bridgewater Wastewater System. This contract provides for the acquisition, construction, and financing of the Bridgewater sewer project and authorizes the County to issue bonds to finance the project, to be secured by the full faith and credit of the Township, and the full faith and credit of the County.

**BRIDGEWATER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN**

TAX COLLECTION FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended March 31, 2004

<u>ASSETS</u>	<u>Balance April 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2004</u>
Cash and investments	\$ 158,885	\$ 2,301,653	\$ 2,453,163	\$ 7,375
Due from other governments	<u>47,778</u>		<u>47,778</u>	
Total assets	<u>\$ 206,663</u>	<u>\$ 2,301,653</u>	<u>\$ 2,500,941</u>	<u>\$ 7,375</u>
<u>LIABILITIES</u>				
Due to other funds	\$ 206,663	\$ 2,627	\$ 206,663	\$ 2,627
Due to other governments		<u>2,299,026</u>	<u>2,294,278</u>	<u>4,748</u>
Total liabilities	<u>\$ 206,663</u>	<u>\$ 2,301,653</u>	<u>\$ 2,500,941</u>	<u>\$ 7,375</u>